

**Long-term Debt**

Total outstanding debt was \$238 million, with \$125.4 million of business-type activities debt supported by the individual funds, resulting in net bonded debt for governmental activities of \$112.6 million. Capital leases of \$1.6 million for the regional radio system joint venture and \$6.2 million for the human services facility were included, while liabilities for compensated absences and workers' compensation of \$4.6 million, and landfill closure liability of \$2.8 million were excluded.

Long-term Debt Obligations
As of June 30, 2005/2004
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change
	2005	2004	2005	2004	2005	2004	2005-2004
General Obligation Bonds	\$ 94.0	\$ 100.3	\$ 61.9	\$ 66.9	\$ 155.9	\$ 167.2	-6.76%
Revenue Bonds	-	-	63.5	59.2	63.5	59.2	7.26%
Literary Bonds	0.1	0.2	-	-	0.1	0.2	-50.00%
General Obligation Notes	7.5	7.5	-	-	7.5	7.5	0.00%
Note Payable	3.2	3.2	-	-	3.2	3.2	0.00%
Capital Lease	7.8	8.4	-	-	7.8	8.4	-7.14%
Total	\$112.6	\$119.6	\$125.4	\$126.1	\$238.0	\$245.7	-3.13%

Total new debt of \$45.3 million was issued, of which \$26.8 million was for governmental activities and \$18.5 million was for business-type activities.

The City retired \$52.8 million of outstanding principal, which included refunded debt of \$37.7 million and \$15.1 million of planned retirements. The refunded debt consisted of \$16.9 million for governmental activities and \$20.8 million for business-type activities. The planned retirements were \$7.5 million for governmental activities and \$7.6 million for business-type activities.

Business-type activities new long-term debt of \$6.7 million was issued from the Virginia Revolving Loan Program (VRL) for sewer capital projects. The City issued \$33.1 million in general obligation refunding bonds consisting of \$21.3 million for governmental activities and \$11.8 million for business-type activities. These bonds advance refunded \$32.2 million of four outstanding general obligation bond series. The refunded bonds consisted of \$20.8 million for governmental activities and \$11.4 million for business-type activities. Additionally, the City issued \$3.8 million in taxable general obligation refunding bonds to advance refund \$3.5 million of taxable general obligation bonds for the Schools. Lastly, the City has a 33.1% share in a regional radio system joint venture originally financed by a lease revenue bond in 1996. The City participated in a current refunding of a \$5.1 million lease revenue note (City share-\$1.7 million) to redeem the \$5.9 million outstanding balance of the lease revenue bond (City share-\$2.0 million).

The City's general obligation bonds continued to maintain an Aa3 rating from Moody's Investors Service, an AA rating from Standard and Poor's Rating Service and an AA rating from Fitch Investors. A City Council-adopted policy provides that tax-supported debt should not exceed 5% of net assessed valuation of taxable property in the City. As of the end of FY 2005, outstanding tax-supported debt was 2.57% of net assessed valuation. Detailed information on the City's long-term debt is included in Note 9 to this report.

**Long-Term Liabilities****General Obligation Debt:**

Details of general obligation debt of the City at June 30 are as follows:

General Obligation Debt	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Primary Government			Total All Funds
					Public Improvements	School Facilities	Proprietary Funds	
Bond Anticipation Note								
Public Improvement BAN	3.00%	06/01/2004	2006	\$ 7,500,000	\$ -	\$ 7,500,000	\$ -	\$ 7,500,000
Serial Bonds								
VPSA	4.90 - 6.35%	11/12/1992	2012	\$ 458,292	-	205,093	-	205,093
VRA Public Improvement	4.50%	03/24/1994	2016	\$ 3,976,369	-	-	2,724,381	2,724,381
VPSA	6.25 - 6.75%	11/22/1994	2014	\$ 2,100,362	-	1,168,163	-	1,168,163
Public Improvement Bonds	5.35 - 6.50%	01/01/1995	2015	\$ 9,800,000	98,405	275,000	116,595	490,000
Taxable Refunding Bonds	5.40 - 6.75%	01/01/1996	2014	\$ 7,150,000	-	745,000	-	745,000
Public Improvement Bonds	4.30 - 4.90%	02/01/1996	2016	\$ 5,000,000	478,400	-	21,600	500,000
Public Improvement Bonds	4.60 - 5.40%	02/15/1997	2017	\$ 16,000,000	556,000	712,000	372,000	1,640,000
Public Improvement Bonds	4.00 - 5.00%	04/01/1998	2018	\$ 33,855,000	4,527,359	3,858,945	6,773,696	15,160,000
Public Improvement Bonds	4.25 - 5.00%	06/01/1999	2019	\$ 17,805,000	5,560,372	1,975,494	4,909,134	12,445,000
Public Improvement Bonds	5.25 - 5.75%	07/18/2000	2030	\$ 14,405,000	1,040,210	476,790	1,058,000	2,575,000
Public Improvement Bonds	4.00 - 4.875%	08/16/2001	2031	\$ 14,620,000	-	1,768,241	11,676,759	13,445,000
VPSA Bonds	3.10 - 5.35%	11/15/2001	2021	\$ 3,473,329	-	2,995,869	-	2,995,869
VPSA Bonds	2.35 - 5.10%	11/07/2002	2023	\$ 6,513,732	-	5,911,893	-	5,911,893
Refunding Bonds	2.00 - 5.00%	02/01/2003	2014	\$ 23,670,000	5,202,949	616,399	10,410,652	16,230,000
Public Improvement Bonds	2.50 - 4.625%	02/01/2003	2033	\$ 16,745,000	8,350,000	2,210,000	4,995,000	15,555,000
Public Improvement Bonds	3.00 - 5.00%	06/01/2004	2034	\$ 28,160,000	10,445,000	9,650,000	7,125,000	27,220,000
Refunding Bonds	3.00 - 5.25%	03/16/2005	2030	\$ 33,105,000	12,877,845	8,474,880	11,752,275	33,105,000
Refunding Bonds	3.90 - 4.86%	03/16/2005	2014	\$ 3,810,000	-	3,810,000	-	3,810,000
Totals					<u>\$ 49,136,540</u>	<u>\$ 52,353,767</u>	<u>\$ 61,935,092</u>	<u>\$ 163,425,399</u>

Bonds issued between 1992 and 2005 are callable subject to a maximum premium of 2%.

Authorized and unissued general obligation public improvement bonds and public utility revenue bonds amounted to \$23,740,000 and \$1,511,847 respectively, at June 30, 2005.

The Commonwealth imposes a legal limit of 10% of assessed valuation on the amount of general obligation borrowings that may be issued by the City. As of June 30, 2005, the City's aggregate general obligation indebtedness was \$182,103,128 less than the state limit. There are no overlapping tax jurisdictions.

**Long-Term Liabilities****Revenue Debt:**

Details of the revenue debt of the Enterprise Funds at June 30, are as follows:

	Interest Rates	Date Issued	Maturity Date	Original Issue	Enterprise Funds
Virginia Resources Authority:					
Public Utility Revenue Bonds	0.00%	03/28/1995	2026	\$ 6,571,000	\$ 3,842,777
Public Utility Revenue Bonds	0.00%	08/10/1995	2028	\$ 10,000,000	6,607,143
Public Utility Revenue Bonds	0.00%	06/27/1996	2028	\$ 8,000,000	5,114,577
Public Utility Revenue Bonds	3.00%	07/17/1997	2020	\$ 14,108,460	11,449,395
Public Utility Revenue Bonds	3.00%	06/02/1999	2020	\$ 2,476,763	2,006,106
Public Utility Revenue Bonds	0.00%	07/17/1997	2029	\$ 7,591,540	5,570,124
Public Utility Revenue Bonds	0.00%	08/01/1998	2030	\$ 6,203,000	4,840,921
Public Utility Revenue Bonds	0.00%	09/02/1999	2021	\$ 5,300,000	4,463,158
Public Utility Revenue Bonds	0.00%	03/15/2001	2031	\$ 735,000	610,658
Public Utility Revenue Bonds	3.50%	06/08/2001	2021	\$ 2,835,000	2,536,270
Public Utility Revenue Bonds	0.00%	11/06/2001	2033	\$ 1,413,613	1,284,830
Public Utility Revenue Bonds	0.00%	09/15/2003	2035	\$ 2,500,000	2,500,000
Public Utility Revenue Bonds	0.00%	05/20/2004	2037	\$ 6,000,000	6,000,000
Public Utility Revenue Bonds	0.00%	5/17/2005	2038	\$ 6,700,000	6,700,000
Total Revenue Debt:					\$ 63,525,959

The revenue bonds have been issued in accordance with the terms of an indenture agreement with the Virginia Resources Authority (VRA) of the Commonwealth of Virginia. The indenture agreement requires the City to pledge its Sewer Fund Revenues as collateral for the revenue bonds and to maintain debt coverage in the Sewer equal at least 1.15 of all debt service payments which exclude any refunded principal payments. As shown below, the debt coverage ratio for the year ended June 30, 2005 was 1.36.

Sewer Fund Operating Income	\$ 4,785,102
Add:	
Depreciation and amortization	3,777,969
Interest income received	248,236
Capital contributions from members - Regional Sewerage Treatment Plant	383,901
Governmental grants and miscellaneous income	43,657
Net revenue per indenture	<u>\$ 9,238,865</u>
Net principal and interest payments (excluding refunded principal payments)	<u>\$ 6,797,788</u>
Debt coverage	<u>1.36</u>

**Long-Term Liabilities (Continued)****Primary Government:**

The following is a summary of changes in long-term liabilities for the year ended June 30:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Governmental Activities					
Bond anticipation notes payable	\$ 7,500,000	\$	\$	\$ 7,500,000	\$ 7,500,000
General obligation bonds payable	100,250,836	25,162,725	31,423,254	93,990,307	6,891,838
Notes payable*	3,200,000			3,200,000	
State literary fund loans payable	166,462			126,937	
Adjust for deferred amounts:					
Issuance premiums	597,027	1,160,204		1,665,073	
On refunding	(305,865)	(1,824,270)	(177,597)	(1,952,538)	
Total bonds and notes payable	111,408,460	24,498,659	31,377,340	104,529,779	14,431,363
Workers' compensation payable	312,676	451,687	254,279	510,084	268,421
Compensated absences	3,611,323	2,504,100	2,413,317	3,702,106	300,627
Capitalized lease obligations	8,396,221	1,679,825	2,328,588	7,747,458	460,108
	<u>\$ 123,728,680</u>	<u>\$ 29,134,271</u>	<u>\$ 36,373,524</u>	<u>\$ 116,489,427</u>	<u>\$ 15,460,519</u>
Business-Type Activities					
General obligation bonds payable	\$ 66,896,030	\$ 11,752,275	\$ 16,713,213	\$ 61,935,092	\$ 5,044,007
Public utility revenue bonds payable	59,152,392	6,700,000	2,326,435	63,525,957	2,435,977
Adjust for deferred amounts:					
Issuance discounts	(407,645)		(143,773)	(263,872)	
Issuance premiums	428,869	661,426		1,038,927	
On refunding	(727,822)	(829,605)	(156,001)	(1,401,426)	
Total bonds and notes payable	125,341,824	18,284,096	18,791,242	124,834,678	7,479,984
Workers' compensation payable	94,623			37,226	
Compensated absences	398,667	279,888	288,817	389,738	
Landfill closure – open landfill	2,298,845	179,749		2,478,594	
Landfill closure – closed landfill	356,341			323,947	
	<u>\$ 128,490,300</u>	<u>\$ 18,744,656</u>	<u>\$ 19,170,773</u>	<u>\$ 128,064,183</u>	<u>\$ 7,557,283</u>

* A note receivable was obtained concurrent with the issuance of this note payable. Neither instrument provided or consumed current financial resources, and therefore are not reflected in the fund statements. The note receivable is included in other assets on the government-wide statement of net assets.

**Long-Term Liabilities (Continued)**Debt Service to Maturity:

Following is a summary of debt service to maturity for long-term debt:

Governmental Activities						
Year Ending	Governmental Obligation		Literary Fund Loans		Capital Lease Obligations	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 6,891,836	\$ 4,116,062	\$ 39,525	\$ 4,870	\$ 460,108	\$ 281,368
2007	7,088,890	3,854,635	19,000	3,496	477,516	264,761
2008	6,723,991	3,583,501	19,000	2,736	494,725	247,552
2009	6,521,091	3,300,716	19,000	1,976	512,556	229,720
2010	6,585,977	3,036,072	-	-	531,035	211,242
2011-2015	29,354,654	11,097,253	19,000	1,216	1,965,045	802,732
2016-2020	18,803,395	5,121,390	11,412	456	1,901,207	462,169
2021-2025	8,288,998	1,837,001	-	-	1,405,266	93,004
2026-2030	3,366,475	525,760	-	-	-	-
2031-2034	365,000	37,260	-	-	-	-
Total	\$ 93,990,307	\$ 36,509,650	\$ 126,937	\$ 14,750	\$ 7,747,458	\$ 2,592,548

General Obligation Bonds								
Enterprise Funds								
Year Ending	Sewer Fund		Water Fund		Solid Waste Management Fund		Airport Fund	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 2,210,090	\$ 1,172,806	\$ 1,523,091	\$ 983,798	\$ 1,013,551	\$ 293,782	\$ 297,275	\$ 101,209
2007	2,386,638	1,137,045	1,679,841	941,593	864,267	222,727	285,857	81,481
2008	2,312,792	1,061,302	1,683,800	884,801	876,266	196,823	253,643	73,331
2009	1,966,861	963,295	1,498,384	810,650	584,944	154,373	220,692	62,053
2010	1,961,560	885,197	1,494,805	747,508	577,012	127,160	224,831	52,581
2010-2015	7,903,209	3,346,558	5,977,711	2,868,048	1,826,715	317,636	852,225	140,615
2016-2020	5,074,762	1,928,813	3,890,095	1,670,189	432,858	52,577	245,953	19,432
2021-2025	3,009,912	1,164,659	1,976,250	1,011,697	36,250	14,732	-	-
2026-2030	2,539,992	596,298	1,998,300	539,771	44,660	6,205	-	-
2031-2034	1,130,000	96,615	1,080,000	107,568	-	-	-	-
Total	\$ 30,495,816	\$ 12,352,588	\$ 22,802,277	\$ 10,565,623	\$ 6,256,523	\$ 1,386,015	\$ 2,380,476	\$ 530,702

**Long-Term Liabilities (Continued)**Debt Service to Maturity: (Continued)

Year ending June 30	Revenue Bonds	
	Sewer Fund	
	Principal	Interest
2006	\$ 2,435,978	\$ 485,781
2007	2,463,002	458,757
2008	2,914,197	430,895
2009	2,942,924	402,168
2010	2,972,543	372,550
2011-2015	15,340,182	1,385,279
2016-2020	15,655,784	494,070
2021-2025	9,014,746	5,343
2026-2030	6,266,314	-
2031-2035	2,673,623	-
2036-2037	846,666	-
Total	<u>\$ 63,525,959</u>	<u>\$ 4,034,843</u>

Notes Payable, Bank:

In July 2002, the City issued a general obligation note to SunTrust Bank and concurrently entered into a financing agreement with the Bank. The agreement provides for borrowings of up to \$15,000,000 to provide interim financing for qualifying capital improvements. Interest is equal to the tax-exempt note rate as defined in the agreement, plus 0.45%, up to a maximum of 4%, payable in arrears, on a monthly basis. All outstanding amounts are due at final maturity on August 30, 2007. There are no amounts outstanding at June 30, 2005.

Bond Anticipation Notes:

In June 2004, the City issued \$7,500,000 general obligation bond anticipation notes maturing on June 1, 2006 for interim financing of school renovation projects. The notes bear interest at the rate of 3% per annum. The notes have been issued in anticipation of securing permanent financing through the Virginia Public School Authority ("VPSA") loan program.

**Long-Term Liabilities (Continued)**Current Year Defeasance of Debt:

2005 A Issue

On March 16, 2005, the City issued \$33,105,000 in general obligation bonds with an average interest rate of 4.53 percent to advance refund four outstanding general obligation bonds series, which totaled \$32,220,000. The outstanding general obligation bonds and average interest rates were as follows:

<u>Bond Series</u>	<u>Amount</u>	<u>Average Interest Rate</u>
1996A	\$ 2,250,000	4.86%
1997	8,200,000	5.49%
1998A	11,765,000	5.00%
2000	<u>10,005,000</u>	5.57%
Total	<u>\$ 32,220,000</u>	

The net proceeds of approximately \$34,675,427, which included a \$1,821,631 premium and payment of \$135,000 in issuance costs and \$116,204 in underwriter's compensation, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on those general obligation bonds. As a result, the general obligation bonds are considered defeased and the liability for those bonds has been removed from the financial statements.

The advance refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$2,334,605. This difference, reported in the accompanying financial statements as deferred debt charges, is being amortized over the life of the refunded bonds as a component of interest expenses through the year 2030. The City completed the advance refunding to reduce its total debt service payments over the next twenty-six years by \$1,774,518 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,574,348.

2005 B Issue

On March 16, 2005, the City issued \$3,810,000 in taxable general obligation bonds with an average interest rate of 4.65 percent to advance refund \$3,505,000 of outstanding 1996 taxable general obligation bonds with an average interest rate of 6.74 percent. The net proceeds of approximately \$3,784,925 (after payment of \$11,723 in issuance costs and \$13,352 in underwriter's compensation) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for certain future debt service payments on the 1996 taxable general obligation bonds. As a result, the 1996 taxable general obligation bonds are considered defeased and the liability for those bonds has been removed from the financial statements.

The advance refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$279,925. This difference, reported in the accompanying financial statements as deferred debt charges, is being amortized over the life of the refunded bonds as a component of interest expense through the year 2014. The City completed the advance refunding to reduce its total debt service payments over the next 12 years by \$169,892 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$159,621.

**Long-Term Liabilities (Continued)****Current Year Defeasance of Debt: (Continued)****Joint Venture – Regional Radio System**

The City of Lynchburg is the fiscal agent for the Central Virginia Radio Communications Board and has a 33.10% leasehold interest share in the joint venture for the regional radio system. On August 20, 2004, the Industrial Development Authority of the Town of Amherst, Virginia (IDA) issued \$5,075,000 in a lease revenue note with an interest rate of 3.30 percent to current refund \$5,933,108 of an outstanding 1996 lease revenue bond with an interest rate of 5.72 percent. The 1996 lease revenue bond financed the Central Virginia Radio Communications Board Project for the regional radio system. The lease revenue note proceeds along with the bond debt reserve fund of \$993,100 and related interest income of \$152,975, all of which totaled \$6,221,075, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to retire the bond on September 30, 2004; and, fund \$37,518 in issuance costs, \$83,700 of accrued interest expense, \$118,862 for the premium on bond retirement, and \$47,887 in lease revenue note debt service. As a result, the 1996 lease revenue bond is considered defeased, and the City's 33.1% share of the liability for those bonds has been removed from the financial statements.

The current refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$118,862. The IDA completed the current refunding to reduce total debt service payments over the next 6 years by \$1,581,782 and to obtain in an economic gain (difference between the present values of the old and new debt service payments) of \$483,679 for the joint venture participants. For the City's share, the current refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$39,343. This difference, reported in the accompanying financial statements as deferred debt charges, is being amortized over the life of the refunded bond as a component of interest expense through the year 2011. The current refunding reduced the City's share of total debt service payments over the next 6 years by \$523,570 and the City obtained its share of an economic gain (difference between the present values of the old and new debt service payments) of \$160,098.

Component Unit – Lynchburg City Schools:

The following are summaries of other long-term liabilities and debt service to maturity for capital lease obligations for the year ended June 30:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Compensated absences	\$ 533,520	\$ 157,115	\$ -	\$ 690,635	\$ -
Capital lease obligations	1,324,379	1,500,000	724,075	2,100,304	724,137
	<u>\$ 1,857,899</u>	<u>\$ 1,657,115</u>	<u>\$ 724,075</u>	<u>\$ 2,790,939</u>	<u>\$ 724,137</u>

Capital Lease Obligations		
Year Ending June 30	Principal	Interest
2006	\$ 734,099	\$ 55,619
2007	594,686	34,542
2008	357,522	20,041
2009	313,381	10,382
2010	169,176	1,781
Total	<u>\$ 2,168,864</u>	<u>\$ 122,365</u>



Computation of Legal Debt Margin

Year Ended June 30, 2005

Total assessed value of real estate	<u>\$ 3,381,554,640</u>
Legal Debt Limit - 10% of total assessed value of real estate	338,155,464
Less bonded debt as of June 30, 2005	<u>(156,052,336)</u>
Legal debt margin	<u>\$ 182,103,128</u>



**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL FUND BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES, TRANSFERS TO SCHOOL OPERATING FUND, AND RESERVE ALLOCATIONS.
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year	Principal	Interest ⁽¹⁾	Total Debt Service	Total General Fund Expenditures and Transfers ⁽²⁾	Ratio of Debt Service to Total General Fund Expenditures and Transfers ⁽³⁾
2005 ⁽⁹⁾	\$ 6,792,366	\$ 4,003,865	\$ 10,796,231	\$ 127,571,914	8%
2004 ⁽⁸⁾	6,245,066	3,801,676	10,046,742	141,124,882	7%
2003 ⁽⁷⁾	6,810,819 ⁽⁴⁾	3,862,166	10,672,985	136,036,068	8%
2002	7,170,673	4,070,888	11,241,561	114,907,592	10%
2001	5,528,883	3,846,500	9,375,383	118,766,574	8%
2000	5,566,054	3,543,009	9,109,063	112,208,412	8%
1999	6,233,829	3,481,876	9,715,705	104,639,900	9%
1998	6,317,424	3,684,107	10,001,531	107,918,885	9%
1997	5,235,179	3,546,016	8,781,195	98,253,772	9%
1996 ⁽⁵⁾	6,347,441	3,404,227	9,751,668	97,292,266	10%

⁽¹⁾ Excluding bond issuance and other costs.

⁽²⁾ Includes all General Fund expenditures, operating transfers out, and local contributions to component units.

⁽³⁾ Per the City of Lynchburg's Financial Management Policies Adopted August 10, 1999, and reaffirmed on September 28, 2004.

Annual debt service expenditures for tax-supported debt should not exceed 10% of the following:
Total General Fund Expenditures plus (a) transfers to the School Operating Fund and (b) Reserve Allocations.

⁽⁴⁾ Principal excludes pay-off of bond anticipation note in the amount of \$7,500,000, and refunded General Fund and School debt in the amount of \$8,747,533.

⁽⁵⁾ Principal payments exclude \$6,658,599 of school retirement incentive liability.

⁽⁶⁾ Principal payments exclude pay-off of bond anticipation note in the amount of \$5,725,000.

⁽⁷⁾ Debt service payments for General Fund and Schools for FY 2003 exclude refunded debt payments of \$7,821,520 and \$926,012 respectively.

⁽⁸⁾ Debt service payments for General Fund and Schools for FY 2004 exclude principal repayments made on the City's interim line of credit as follows:

	Principal	Interest	Total
General	\$ 2,605,000	\$ 2,745	\$ 2,607,745
Schools	\$ 9,599,000	\$ 55,876	\$ 9,654,876

⁽⁹⁾ Principal amount excludes refunded debt expenditures of \$10,758,650 for the City and \$11,737,500 for the Schools, both of which are reported in the General Fund.

**Debt Service**

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 ⁽²⁾ Bond Issue ⁽³⁾	2006 Line of Credit	Less: Savings from Refunding	2007 Budget
General Fund					
1001-7450					
Principal	\$3,442,068	\$779,000			\$4,221,068
Interest	1,631,935	493,367			2,125,302
Human Service Lease Principal	250,473				250,473
Human Service Lease Interest	222,202				222,202
Debt Service Charges	6,000				6,000
Total	\$5,552,678	\$1,272,367			\$6,825,045

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 Bond Issue		Less: Savings from Refunding	2007 Budget
E-911 Fund - Bonds					
2017-7450					
Principal	\$152,302				\$152,302
Interest	45,337				45,337
Debt Service Charges					
Total	\$197,639				\$197,639

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 Bond Issue		Less: Savings from Refunding	2007 Budget
E-911 Fund - Leases					
2017-7450					
Principal	\$227,043				\$227,043
Interest	42,558				42,558
Debt Service Charges					
Total	\$269,601				\$269,601

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 Bond Issue		Less: Savings from Refunding	2007 Budget
Detention Home Fund					
2022-7450					
Principal	\$260,726				\$260,726
Interest	106,771				106,771
Debt Service Charges					
Total	\$367,497				\$367,497

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 Bond Issue		Less: Savings from Refunding	2007 Budget
Airport Fund					
4030-7450					
Principal	\$285,856	\$32,050			\$317,906
Interest	81,481	20,299			101,780
Debt Service Charges	100				100
Total	\$367,437	\$52,349			\$419,786

**Debt Service (continued)**

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 Bond Issue	Less: Savings from Refunding	2007 Budget
<u>Solid Waste Fund</u>				
4009-7450				
Principal	\$864,267			\$864,267
Interest	222,727			222,727
Debt Service Charges	500			500
Total	\$1,087,494			\$1,087,494

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 ⁽²⁾ BANS Issue ⁽³⁾	Less: Savings from Refunding	2007 Budget
<u>Water Fund</u>				
4015-7450				
Principal	\$1,679,841			\$1,679,841
Interest	941,593	\$500,000		1,441,593
Debt Service Charges				
Total	\$2,621,434	\$500,000		\$3,121,434

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 ⁽²⁾ BANS Issue ⁽³⁾	Less: Savings from Refunding ⁽⁴⁾	2007 Budget
<u>Sewer Fund</u>				
4020-7450				
G.O. Principal	\$2,386,638			\$2,386,638
G.O. Interest	1,137,045	\$325,000		1,462,045
Rev. Principal	2,563,002			2,563,002
Rev. Interest	458,757			458,757
Debt Service Charges				
Total	\$6,545,442	\$325,000		\$6,870,442

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 Bond Issue	Less: Savings from Refunding	2007 Budget
<u>Stadium Fund</u>				
2026-7450				
Principal	\$86,010			\$86,010
Interest	123,904			123,904
Total	\$209,914			\$209,914

	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 Bond Issue	Less: Savings from Refunding	2007 Budget
<u>Fleet Services Fund</u>				
5003-7450				
Principal	\$120,000	\$132,200		\$252,200
Interest	44,293	62,795		107,088
Total	\$164,293	\$194,995		\$359,288

**Debt Service (continued)**

FY 2007 City's General Fund Appropriation for Schools Debt Service						
	2007 Debt Per 6/30/05 Debt Book ⁽¹⁾	2006 ⁽²⁾ Bond Issue ⁽³⁾	2006 Line of Credit	2006 VP SA Bond Issue	Less: Savings from Refunding	2007 Budget
1001-7450						
Principal	\$3,031,483	\$300,050		\$273,104		\$3,604,637
Interest	1,905,892	190,032		370,097		2,466,021
Total School Debt Service	<u>\$4,937,375</u>	<u>\$490,082</u>		<u>\$643,201</u>		<u>\$6,070,658</u>
Plus:						
Debt Service Charges	<u>3,000</u>					<u>3,000</u>
Local City Share for School Debt Service	<u>\$4,940,375</u>	<u>\$490,082</u>		<u>\$643,201</u>		<u>\$6,073,658</u>

(1) Information for FY 2007 existing debt service per the City's Debt Book as of 6/30/05.

(2) Information for 2006 bond issue per 2007-2011 CIP.

(3) Anticipated issue date for the FY 2006 issue is May 2006.



HISTORICAL QUOTE:

“Be it enacted by the General Assembly...that the mayor, recorder, aldermen and common councilmen...are hereby made a body corporate and politic, by the name of the Mayor and Commonality of the town of Lynchburg...[they] shall have power to erect work houses, houses of correction, prisons and other public buildings....And be it further enacted, that all half acre lots of land, as the same were laid off adjoining the said town, by John Lynch, shall, so soon as a connected plan of the said lots be duly admitted to record in the court of Campbell county, be added to, incorporated with, and considered as a part of, the said town.”

An Act for incorporating the town of Lynchburg, and enlarging the same.

January 10, 1805

-- S. Allen Chambers, Lynchburg An Architectural History, University Press of Virginia, 1982.